

CITADEL RESOURCE GROUP
SUMMARY RESOURCE ESTIMATE REPORT
JABAL SAYID DEPOSIT
MADINAH PROVINCE
KINGDOM OF SAUDI ARABIA

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1 Summary

Citadel Resource Group Limited (Citadel) has prepared this summary technical report to formally document its Resource estimate for the Jabal Sayid Deposit, undertaken as part of its Definitive Feasibility Study (DFS). This report complies with the reporting requirements of the JORC 2004 Guidelines: "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves".

The Jabal Sayid Project property is located approximately 400 km northeast of the city of Jeddah, which is the provincial capital of the Makkah Province and the second largest city in Saudi Arabia.

In January 2009, Coffey Mining Ltd was requested to undertake the mining component of the Feasibility Study for Jabal Sayid and subsequently, to re-estimate the resources for Lodes 2 and 4. The Lode 2 estimate was completed on July 14th, while Lode 4 was reported on October 1st, 2009. Previous Resource estimations in both 2007 (Hellman and Schoelfield) and 2008-09 (AMC Consultants) included a separate evaluation of a third orebody, Lode 1.

Neil Inwood (Coffey Mining) acted as the competent person for the grade estimate, while Geoff Booth (Citadel Resources) was responsible for analytical QAQC. Both parties shared responsibility for resource classification.

The Lode 2 estimate was based on data sourced from Citadel's corporate drillhole database on June 22nd 2009, while Lode 4 data was closed out on September 25th, 2009. Summary composite statistics report a total of 12,105 x 2m. composite samples were used in the Lode 4 estimate, while a total of 3,914 x 1m. composites were used for Lode 2.

Jabal Sayid is a proximal VMS (Volcanogenic Massive Sulphide) system, with analogous deposits discovered at both the Avoca (Ireland) and Mt Lyell Mines (Tasmania). It ranks in the upper 5% of known VMS deposits worldwide, for resources exceeding 200Kt.

Four separate mineralised lodes are observed, confined within a north easterly, 200-700m wide corridor and traced over a 1.2km length. Base and precious metal mineralisation is hosted by felsic volcanic rocks, which are in turn crosscut by hypabyssal intrusions, associated with a local paleovolcanic centre. Structural analysis suggests that these lodes are restricted to the western flank of a south-west plunging anticline.

The current Mineral Resource estimate is summarised in Tables 1.1 and 1.2 using two separate cutoff grades: 0.2%Cu and 0.8%Cu. This latter value is observed as a geologically coherent threshold to virtually all mineralised zones interpreted within both lodes and also aligns favourably with a proposed economic or mining cutoff grade.

Table 1-1: Jabal Sayid Project – Lodes 2 and 4 Mineral Resource Estimate
as at October 31st, 2009 (0.2%Cu cutoff).

Jabal Sayid - Lodes 2 and 4				
Jabal Sayid - Measured and Indicated Mineral Resource Statement at a 0.2%Cu cutoff				
Deposit	Category	MTonnes	Cu%	Cu KTonnes
Lode 2	Measured	1.6	2.5	40
	Indicated	3.6	2.3	85
	Measured + Indicated	5.2	2.4	125
Lode 4	Measured	13.5	2.5	334
	Indicated	7.6	2.5	180
Total	Measured + Indicated	21.1	2.4	514
Total – Lodes 2+4	Measured + Indicated	26.3	2.4	640
Lode 2	Inferred	0.5	1.8	9
Lode 4	Inferred	31.7	0.5	160
Total – Lodes 2+4	Inferred	32.2	0.5	169

1. All resources have been reported using a 0.2%Cu cut-off and are reported inclusive of reserves.
2. Rounding errors may occur.

Table 1-2: Jabal Sayid Project – Lodes 2 and 4 Mineral Resource Estimate
as at October 31st 2009 (0.8%Cu cutoff).

Jabal Sayid - Lodes 2 and 4				
Jabal Sayid - Measured and Indicated Mineral Resource Statement at a 0.8%Cu cutoff				
Deposit	Category	MTonnes	Cu%	Cu KTonnes
Lode 2	Measured	1.6	2.5	40
	Indicated	3.6	2.4	85
Total	Measured + Indicated	5.2	2.4	125
Lode 4	Measured	13.3	2.5	332
	Indicated	7.5	2.4	179
Total	Measured + Indicated	20.8	2.5	512
Total – Lodes 2+4	Measured + Indicated	25.9	2.4	636
Lode 2	Inferred	0.5	1.8	9
Lode 4	Inferred	4.6	1.5	69
Total – Lodes 2+4	Inferred	5.1	1.5	78

1. All resources have been reported using a 0.8%Cu cut-off and are reported inclusive of reserves.
2. Rounding errors may occur.

2 Introduction

Citadel has prepared this Technical Report on its Jabal Sayid Project to a standard consistent with JORC 2004 guidelines (“Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves”).

The primary sources of data for this report include:

- Multiple internal Bariq Mining Ltd. (Bariq) exploration reports.
- Multiple public reports from the Ministry of Petroleum and Mineral Resources, Kingdom of Saudi Arabia.
- Geological and assay data collected by Bariq, Bureau de Recherches Geologiques et Minieres (BRGM).

The principal report authors and Qualified Persons are:

- **Mr. Neil Inwood:** Mr. Inwood has a B.Sc. (Hons) from Curtin University in Geology (1993), an M.Sc. in Ore Deposit Geology from the University of Western Australia (2007) and a Graduate Certificate in Geostatistics from Edith Cowan University (2007). He is a Member of the Australasian Institute of Mining and Metallurgy. He has worked on the Jabal Sayid Project between February and October, 2009.
- **Dr. Geoffrey Booth:** Dr. Booth has a B.Sc.(Hons) in Geology from the University of Toronto (1979), an M.Sc in Geology and Geochemistry from the University of Toronto (1983), as well as a Ph.D. in Geology and Geochemistry from the University of New South Wales (1989). He is a Fellow (FAusIMM) and Chartered Professional (CP) of the Australasian Institute of Mining and Metallurgy and has worked on the Jabal Sayid Project between June and October, 2009.

Both authors have visited the Jabal Sayid site and inspected its core and underground workings.

3 Mineral Resource Estimate

In January 2009, Coffey Mining Ltd was requested to undertake the mining component of the Feasibility Study for Jabal Sayid and subsequently, to re-estimate the resources for the Lode 2 and 4 deposits. The Lode 2 estimate was completed on July 14th, while Lode 4 was reported on October 1st, 2009. Neil Inwood acted as the competent person for the grade estimate, while Geoff Booth was responsible for analytical QAQC and all assay data. Both parties shared responsibility for resource classification.

All resource models and Mineral Resource estimates have been prepared using information collected by Bariq and the BRGM. The primary data source for the Resource estimate consisted of a drilling database collated by Bariq (including drillhole collar surveys, down-hole surveys, assay and geology data), together with sectional geological interpretations provided by Citadel personnel.

A total of 4 resource estimates have been completed for Jabal Sayid deposits during Citadel's management. Lodes 1, 2 and 4 were initially reviewed by Hellman and Schofield (April 2007), the results of which formed the basis for Citadel's original Pre-Feasibility report. This was followed by two separate estimates for these same 3 lodes, undertaken by AMC Consultants, in May 2008 and March 2009, respectively. All evaluations employed nominal Ordinary Kriging (OK) estimation techniques within an accepted stepwise formula, including the following basic elements:

1. Preparation of Geological Models
2. Statistical Data Analysis and Selection
3. Compositing
4. Variography
5. Grade Estimation
6. Estimation Validation
7. Resource Classification and Reporting

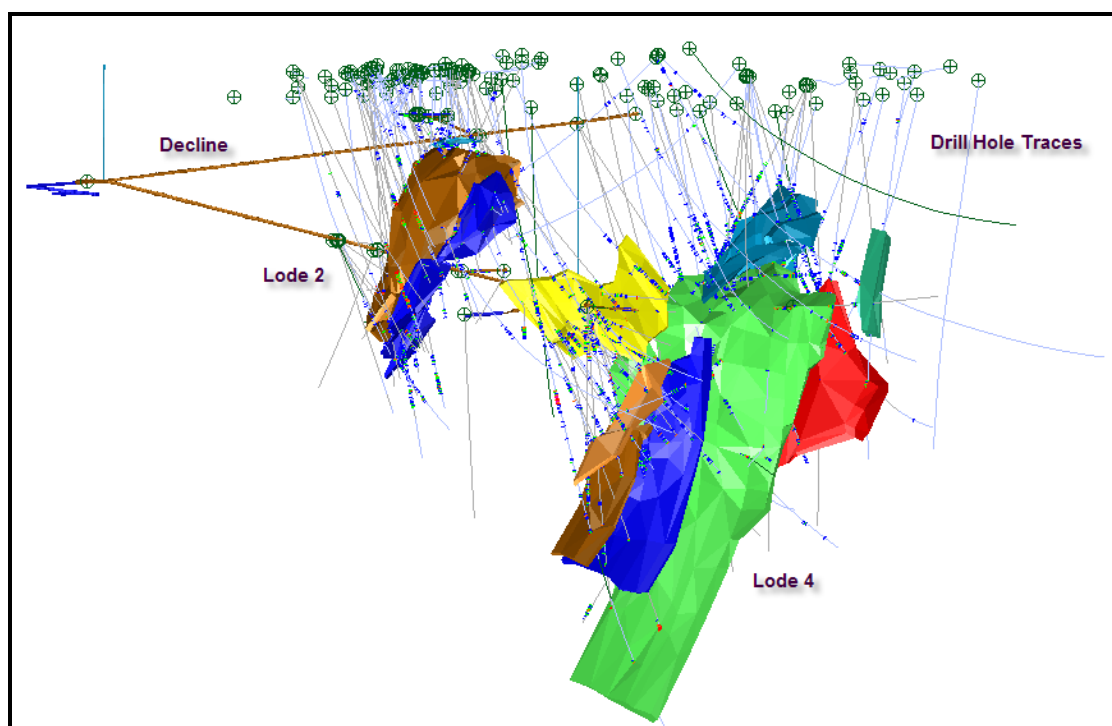
3.1 Geological and Mineralisation Models

Geological interpretation was undertaken using both mineralisation and alteration data, based on 25-50m spaced sections. Strings were digitised in cross-sections using Surpac V6.1 Mining Software (Gemcom), from which 3-D wireframe volumes were subsequently produced.

The mineralisation zones were modelled using a geologically coherent 0.8% Cu cut-off. Massive sulphide and chert horizons were created using lithologic, assay (S) and structural data.

Interpretation of Lode 2 mineralisation identified 3 distinct ore zones, comprising predominantly stringer-type Cu mineralisation, with spatially associated Au and Ag mineralisation. Modelling of Lode 4 mineralisation led to the definition of 8 principal elongate ore zones, dominated by stringer-type Cu mineralisation and minor Cu mineralisation within separate Massive Sulphide and Chert zones. A 0.2% Cu halo was also modelled, surrounding these major Cu zones.

Figure 3-1: Jabal Sayid Project – Lodes 2 + 4 Mineralisation Zones + Drill Traces



3.2 Data Preparation

The Lode 2 estimate was based on data sourced from Citadel's corporate drillhole database on June 22nd 2009, while Lode 4 data was closed out on September 25th, 2009. Statistical analysis permitted selection and combination of historic (BRGM) and current (Bariq) Cu and Zn data for the estimation process; Au and Ag were estimated using Bariq data alone.

Integral to the resource validation process, all drillhole data underwent extensive 3D analysis to test for inconsistent hole-surveys, collar positions and grade-trends. In addition, the highest 200 Cu assays and 100 Zn, Au and Ag analyses were checked against the original datafiles sourced from the Al Amri laboratories; no errors were observed.

An independent database audit was undertaken by Maxwell Geoservices in September 2009. Whereas some minor missing data and inadequate code descriptions were observed, the Jabal Sayid database passed all tests from both a compositional and integrity perspective. In a supplementary umpire analytical programme, a total of 3,816 samples from the Jabal Sayid dataset were submitted for re-analysis, bringing the ratio of QAQC samples to total samples to 1 : 7 or ~14% of Bariq's total analytical programme.

Table 3-1: Lodes 2 + 4 Summary Drillhole Statistics

<i>Lode 2 Summary</i>						
Company	Type	Count	Total Depth (m)	Min. Depth (m)	Max Depth (m)	Aver Depth (m)
Bariq	RC	1	33	33	33	33
Bariq	Trench	14	1,305	12	189	93
Bariq	DDH	49	12,991	11	536	265
Bariq	RC	14	1,245	56	110	89
BRGM	DDH	28	6,180	71	685	221
BRGM	Gallery	8	2,346	18	1,896	293
SEREM	DDH	1	550	550	550	550
<i>Lode 4 Summary</i>						
Company	Type	Count	Total Depth (m)	Min. Depth (m)	Max Depth (m)	Aver Depth (m)
Bariq	DDH	4	1,770	290	600	443
BRGM	DDH	56	13,733	6	816	245
Citadel	DDH	62	22,086	15	700	356
Citadel	RC	2	210	100	110	105
SEREM	DDH	14	6,737	162	661	481

3.3 Data Compositing and Top Cutting

All samples within the mineralised wireframes were composited to either 1m (Lode 2) or 2m (Lode 4) intervals. Residuals less than 40% of the composite length were discarded. The purpose of applying grade maxima is to minimise the risk of high metal concentrations from biasing individual block estimates, especially those located within areas of low sample support.

Top cuts were calculated and applied to describe the maximum reasonable metal grade for a composite sample value within a given domain. Top cut determination required application of the following stepwise process:

1. Histogram and probability plot analysis of composite data as basis for outlier identification.
2. Comparison of the contribution of the highest grade composites to the mean and variance of the dataset.
3. A visual assessment of the clustering of high grade composites to ascertain the validity of extreme values.

As top-cuts exhibited limited influence on average metal concentration, these were employed as part of the variographic and estimation process. Summary input composite statistics for both estimates are compiled in Table 3-2.

Table 3-2: Lode 2 and 4 Drillhole Composite Statistics

Drillhole Composite Statistics (1m for Lode 2 and 2m for Lode 4)													
Zone	Cu (%)												
	Lode 2			Lode 4									
	1	2	3	1	2	3	4	5	6	7	8	10 (Halo)	30 (MS)
Number	3418	458	38	49	117	417	103	4570	463	53	395	5,434	504
Minimum	0	0	0.15	0.01	0.01	0.01	0.01	0.01	0.01	0.07	0.01	0	0.01
Maximum	18.84	16.97	4.4	4.87	7.67	11.52	8.5	19.74	12.48	3.55	4.35	5.84	5.37
Mean	2.55	1.85	1.47	1.01	1.35	1.62	1.03	2.53	2.24	1.19	0.76	0.21	0.28
Median	1.98	1.3	1.19	0.83	1.11	1.27	0.24	2.04	1.59	0.77	0.61	0.07	0.19
Std Dev	2.34	2.21	1	0.95	1.1	1.4	1.76	2.07	2.02	0.88	0.71	0.38	0.43
Variance	5.49	4.89	1.01	0.91	1.22	1.96	3.11	4.28	4.06	0.77	0.5	0.14	0.19
Coeff Var	0.92	1.2	0.68	0.96	0.82	0.86	1.71	0.82	0.9	0.74	0.94	1.77	1.54
Cut	12	7	none	none	5	7.5	5	14	10	none	none	2	3
Cut Mean	2.54	1.73			1.32	1.61	0.93	2.52	2.24			0.21	0.27
% Change	0%	6%			2%	1%	10%	0%	0%			3%	3%
Zone	Zn (%)												
	Lode 2			Lode 4									
	1	2	3	1	2	3	4	5 no MS	6	7	8	10 no MS	30 (MS)
Number	2973	374	34	38	88	382	90	3888	446	53	335	3,220	482
Minimum	0	0	0.04	0.01	0.01	0.01	0.02	0.01	0.01	0.01	0.01	0.01	0.02
Maximum	18.4	15.37	2.35	0.04	0.37	1.5	11.64	6.13	4.93	0.13	4.47	9.5	36.65
Mean	0.18	0.37	0.43	0.02	0.04	0.21	1.33	0.12	0.27	0.03	0.13	0.17	3.52
Median	0.04	0.02	0.2	0.02	0.02	0.12	0.24	0.06	0.07	0.02	0.05	0.03	2.49
Std Dev	0.67	1.63	0.63	0.01	0.06	0.25	2.4	0.26	0.62	0.02	0.3	0.53	3.78
Variance	0.45	2.66	0.39	-1.01	0	0.06	5.78	0.07	0.38	0	0.09	0.28	14.28
Coeff Var	3.74	4.47	1.45	0.43	1.47	1.2	1.81	2.22	2.26	0.8	2.34	3.14	1.07
Cut	4.5	5	none	none	none	none	10	3	none	none	none	6	22
Cut Mean	0.17	0.25					1.31	0.12				0.17	3.49
% Change	6%	32%					2%	0%				0%	1%
Zone	Au (ppm)												
	Lode 2			Lode 4									
	1	2	3	1	2	3	4	5 no MS	6	7	8	10 no MS	30 (MS)
Number	2069	277	4	17	47	312		2339	406	35	222	2,042	291
Minimum	0	0	0.17	0.01	0	0.01		0	0.01	0.01	0.01	-	0
Maximum	8.88	3.36	1.83	1	0.15	4.51		12.63	8.17	0.56	0.89	20.39	13.35
Mean	0.38	0.3	0.88	0.16	0.03	0.37	n/a	0.25	0.43	0.09	0.12	0.17	0.99
Median	0.24	0.15	0.75	0.03	0.02	0.23		0.1	0.26	0.04	0.09	0.03	0.47
Std Dev	0.57	0.45	0.7	0.28	0.03	0.44		0.63	0.71	0.11	0.12	0.68	1.46
Variance	0.33	0.2	0.49	0.08	0	0.19		0.39	0.51	0.01	0.01	0.46	2.14
Coeff Var	1.49	1.48	0.8	1.77	1.04	1.18		2.48	1.65	1.29	1	4.06	1.48
Cut	3.5	none	none	none	none	none		6	5	none	none	8	10
Cut Mean	0.37							0.24	0.42			0.16	0.98
% Change	3%							4%	3%			6%	1%
Zone	Ag (ppm)												
	Lode 2			Lode 4									
	1	2	3	1	2	3	4	5 no MS	6	7	8	10 no MS	30 (MS)
Number	2060	277	4	17	47	312		2339	406	35	222	2,042	291
Minimum	0	0.1	5.3	1.5	0.25	0.71		0.1	0.25	0.55	0.12	0.1	0.25
Maximum	549	140.4	19.4	8.75	21.98	65.5		352.45	200.14	22.67	31	488.19	772.93
Mean	16.94	12.44	13.05	3.59	3.8	11.84	n/a	8.57	15.75	6.4	6.06	6.41	50.22
Median	10.31	7.45	13.75	2.4	2.84	8.7		3.55	8.06	5.33	4.95	1.55	33.1
Std Dev	24.94	17.31	6.01	2.07	3.52	10.27		17.44	22.79	4.82	5.08	21.03	80.81
Variance	621.91	299.69	36.15	4.29	12.38	105.53		304.2	519.16	23.23	25.83	442.44	6,530
Coeff Var	1.47	1.39	0.46	0.58	0.93	0.87		2.03	1.45	0.75	0.84	3.28	1.61
Cut	130	70	none	none	none	55		130	130	none	25	150	190
Cut Mean	16.38	11.8				11.74		8.28	15.52		6.02	6.02	44.15
% Change	3%	5%				1%		3%	1%		0%	6%	12%
Zone	Density (t/m ³)												
	Lode 2			Lode 4									
	All			1	2	3	4	5 no MS	6	7	8	10 no MS	30 (MS)
Number	1969			17	47	312		2339	418	35	188	2,218	278
Minimum	1.95			2.76	2.66	2.5		2.21	2.59	2.73	2.7	2.18	2.37
Maximum	4.99			3.18	3.07	3.63		4.25	4.06	3.23	3.82	4.14	4.8
Mean	2.89			2.87	2.85	2.87	n/a	2.93	2.92	2.87	2.81	2.82	3.65
Median	2.82			2.84	2.85	2.83		2.87	2.87	2.82	2.77	2.79	3.67
Std Dev	0.25			0.11	0.09	0.16		0.22	0.18	0.13	0.13	0.13	0.57
Variance	0.06			0.01	0.01	0.03		0.05	0.03	0.02	0.02	0.02	0.32
Coeff Var	0.09			0.04	0.03	0.06		0.08	0.06	0.05	0.05	0.05	0.16
Cut	3.5			none	none	none		none	none	none	none	none	none
Cut Mean	2.88												
% Change	1%												

3.4 Variography

Variography is used to describe the spatial variability or correlation of a given attribute and is traditionally measured using a variogram, which calculates the averaged squared difference of data points at a nominated distance (h), or lag. The rotations are tabulated as input, with X representing rotation around Z axis, Y representing rotation around Y` axis and Z representing rotation around X`. Dip and dip direction of major, semi-major and minor axes of continuity are also recorded. Modelled correlograms and traditional semi-variograms were used in this study and are collectively reference to as 'variograms'.

Variography was performed for Cu, Zn, Au, Ag and density variables for Zones 1-3 in Lode 2 and Zones 1-10, together with the Massive Sulphide and Chert Zones for Lode 4. The variography for the main copper domain (Zone 5) in Lode 4 was used to inform the estimates for the other copper domains. As the Chert domain generated poor variograms, results from the Massive Sulphide domain were used in their place. Variographic analysis was performed using Isatis V.8 software (GeoVariances).

Table 3-3: Lodes 2 + 4 Variogram Parameters

<i>Lode 2 Summary (Zones 1-3)</i>									
Element	C ₀	C ₁	Major Range (m)	Semi-major Range (m)	Minor Range (m)	C ₂	Major Range (m)	Semi-major Range (m)	Minor Range (m)
Cu	1.6	2.2	20	10.3	14.7	1.65	70	36	30
Zn	0.25	0.50	10	10	5	0.25	38	38	25
Au	0.25	0.40	14	6	8	0.35	32	20	25
Ag	0.25	0.35	20	20	8	0.40	55	55	30
Density	0.023	0.022	17	15	7	0.019	75	42	14
Orientation Cu, Au, Ag and Density: Major 34° → 320°, Semi-major 27° → 209°, Minor 43° → 089° 1 Orientation Zn: Major 47° → 270°, Semi-major 00° → 000°, Minor 43° → 090°									
<i>Lode 4 - Estimate Variography (Zones 1-8, 10)</i>									
Element	C ₀	C ₁	Major Range (m)	Semi-major Range (m)	Minor Range (m)	C ₂	Major Range (m)	Semi-major Range (m)	Minor Range (m)
Cu	0.9	1.5	12	12	22	1.8	50	37	30
Zn	0.4	0.4	25	30	10	0.2	70	100	20
Au	0.4	0.4	20	20	10	0.2	80	80	18
Ag	0.3	0.4	35	45	15	0.3	120	130	18
Density	0.011	0.018	7.6	7.6	7.6	0.018	62	62	62
1 Orientation: Major 80° → 180°, Semi-major 00° → 090°, Minor 00° → 000°									
<i>Massive Sulphide (Zone 30) and Chert (Zone 40)2</i>									
	C ₀	C ₁	Major Range (m)	Semi-major Range (m)	Minor Range (m)	C ₂	Major Range (m)	Semi-major Range (m)	Minor Range (m)
MS Cu	0.013	0.042	5.4	5.4	5.4	0.065	34	34	34
Zn	4.19	1.74	16	16	16	6.6	84	84	84
Au	0.303	0.531	13.4	13.4	13.4	0.664	55	55	55
Ag	0.29	0.45	12.7	12.7	12.7	0.26	57	57	57
Density	0.115	0.104	37.1	37.1	37.1	0.104	46	46	46
1 Orientation: Major 75° → 320°, Semi-major 00° → 230°, Minor 15° → 140°									

3.5 Block Model

Three dimensional block models were constructed for Lodes 2 and 4 for the mineralised zones, as well as additional waste material facilitate optimisation studies. A sub-blocked model was used to construct the mineralisation and background models. Block coding was completed on the basis of the block / sub-block centroid, wherein a centroid falling within any wireframe was coded with the wireframe solid attribute.

The parent block size was selected on the basis of the average drill spacing in the best drilled portions of the deposits. The attributes coded into the block models included the mineralisation models, workings and topography. A visual review of the wireframe solids and the block model indicates robust flagging of the block model. The construction parameters for each of the block models are illustrated in Tables 3-5.

Table 3-4: Lodes 2 + 4 Block Model Construction Parameters

<i>Lode 2 and 4 Deposits</i>			
<i>Block Model Construction Parameters</i>			
	<i>Origin (m)</i>	<i>Extent (m)</i>	<i>Parent/Sub Block Size (m)</i>
<i>Lode 2</i>			
Easting	97,300	97,700	10/1.25
Northing	38,400	38,700	20/2.5
Elevation	1,400	2,000	20/2.5
<i>Lode 4</i>			
Easting	97,100	98,200	20/5
Northing	38,400	39,200	10/1.25
Elevation	990	2,030	20/5

The parent block size was selected on the basis of the average nominal drill spacing in the best drilled portions of the deposits (nominally 20m x 20m). Regular sub-blocking to a 15mE x 1.25mN x 5mRL size was completed to ensure adequate volume representation. The attributes coded into the block models included mineralisation, workings and topography. A visual review of the wireframe solids and the block model indicates a robust flagging.

3.6 Grade Estimation

Ordinary Kriging (O.K.) estimates were completed using the grade variogram models with a group of ancillary parameters controlling the source and selection of composite data. The sample search parameters were defined based on the variography and the data spacing, and a series of sample search tests. Based upon neighbourhood test results, the sample search parameters were tailored to produce an optimal local estimate for the first pass.

A three-pass search strategy with hard boundaries was used for all the modelled zones. This strategy was applied to each domain, applying progressively expanded sample searches to successive estimation passes, and only considering blocks not previously assigned an estimate. The sample selection strategy used for the estimates is summarised in Tables 3-6.

A density of 2.9t/m³ was applied to any block which did not fill within the 3 search passes for all mineralised zones. Any un-estimated blocks within the modelled zones were given a background grade of 0.01% for Cu or Zn, and 0.01ppm for Au or Ag. For Lode 4, cross-cutting dyke material was assigned a density of 2.7t/m³ and a grade of 0.01% for Cu or Zn, and 0.01ppm for Au or Ag.

Relevant statistical information was recorded to enable validation and review of the O.K. estimates, including:

1. Number of samples used per block estimate.
2. Average distance to samples per block estimate.
3. Kriging variance.
4. Estimation flag

Table 3-5: Lode 2 O.K. Sample Search Block Model Parameters

Zone	Pass	Rotation (Surpac)			Search Distance			Min. No. of Comp.	Max. No. of Comp.	Max. Comps. per Drillhole
		Axis 1	Axis 2	Axis 3	Axis 1	Axis 2	Axis 3			
1-3 Cu	1	320	-34	34	40	20	20	12	24	5
	2	320	-34	34	80	40	40	12	24	5
	3	320	-34	34	160	80	80	12	24	5
1-3 Zn	1	320	-34	34	30	30	30	12	24	5
	2	320	-34	34	60	60	60	12	24	5
	3	320	-34	34	120	120	120	12	24	5
	3	320	-34	34	160	80	80	12	24	5
1-3 Au	1	320	-34	34	30	20	20	13	24	5
	2	320	-34	34	60	40	40	13	24	5
	3	320	-34	34	120	80	80	13	24	5
1-3 Ag	1	320	-34	34	30	20	20	14	24	5
	2	320	-34	34	60	40	40	14	24	5
	3	320	-34	34	120	80	80	14	24	5
1-3 Density	1	320	-34	34	40	20	20	12	24	5
	2	320	-34	34	160	80	80	6	12	5

All estimates were then reviewed visually and statistically prior to being reported, which included the following activities:

1. Comparison of the O.K. estimate versus the mean of the composite dataset, including weighting where appropriate to account for data clustering
2. Visual checks of cross sections, long sections, and plans.

Supplementary estimates were also completed using Inverse Distance Weighting techniques to test the sensitivity of the reported model to the selected O.K. interpolation parameters. No significant differences in overall grade were observed in these parallel estimations.

Table 3-6: Lode 4 O.K. Sample Search Block Model Parameters

Zone	Pass	Rotation (Surpac)			Search Distance			Min. No. of Comp.	Max. No. of Comp.	Max. Comps. per Drillhole
		Axis 1	Axis 2	Axis 3	Xm	Ym	Zm			
Cu Estimates										
1-5, 7,8 (0.8% Cu Zones)	1	360	80	0	40	27	40	12	24	5
	2	360	80	0	80	53	80	12	24	5
	3	360	80	0	160	107	160	4	24	5
6 (0.8% Cu Zone)	1	160	70	0	40	27	40	12	24	5
	2	160	70	0	80	53	80	12	24	5
	3	160	70	0	160	107	160	4	24	5
10 (0.2% Shell)	1	360	80	0	40	27	40	12	24	5
	2	360	80	0	80	53	80	12	24	5
	3	360	80	0	160	107	160	4	24	5
Massive Sulphide	1	140	75	0	30	20	30	12	24	5
	2	140	75	0	60	40	60	12	24	5
	3	140	75	0	160	107	160	4	24	5
Chert	1	140	75	0	30	20	30	12	24	5
	2	140	75	0	60	40	60	12	24	5
	3	140	75	0	160	107	160	2	24	5
Zn Estimates										
1-5, 7,8 (0.8% Cu Zones)	1	360	80	0	60	30	60	12	24	5
	2	360	80	0	120	60	120	12	24	5
	3	360	80	0	240	120	240	4	24	5
6 (0.8% Cu Zone)	1	160	70	0	60	30	60	12	24	5
	2	160	70	0	120	60	120	12	24	5
	3	160	70	0	240	120	240	4	24	5
10 (0.2% Shell)	1	360	80	0	60	30	60	12	24	5
	2	360	80	0	120	60	120	12	24	5
	3	360	80	0	240	120	240	4	24	5
Massive Sulphide	1	140	75	0	60	60	60	12	24	5
	2	140	75	0	120	120	120	12	24	5
	3	140	75	0	240	240	240	4	24	5
Chert	1	140	75	0	60	60	60	12	24	5
	2	140	75	0	120	120	120	12	24	5
	3	140	75	0	240	240	240	2	24	5
Au, Ag Estimates										
1-5, 7,8 (0.8% Cu Zones)	1	360	80	0	60	30	60	12	24	5
	2	360	80	0	120	60	120	12	24	5
	3	360	80	0	240	120	240	4	24	5
6 (0.8% Cu Zone)	1	160	70	0	60	30	60	12	24	5
	2	160	70	0	120	60	120	12	24	5
	3	160	70	0	240	120	240	4	24	5
10 (0.2% Shell)	1	360	80	0	60	30	60	12	24	5
	2	360	80	0	120	60	120	12	24	5
	3	360	80	0	240	120	240	4	24	5
Massive Sulphide	1	140	75	0	60	30	60	12	24	5
	2	140	75	0	120	60	120	12	24	5
	3	140	75	0	240	120	240	4	24	5
Chert	1	140	75	0	60	60	60	12	24	5
	2	140	75	0	120	120	120	12	24	5
	3	140	75	0	240	240	240	2	24	5
Density Estimates										
Zones 1-5, 7,8 (0.8% Cu Zones)	1	360	80	0	40	40	40	12	24	5
	2	360	80	0	80	80	80	12	24	5
	3	360	80	0	320	320	320	2	24	5
Zone 6 (0.8% Cu Zone)	1	160	70	0	40	40	40	12	24	5
	2	160	70	0	80	80	80	12	24	5
	3	160	70	0	320	320	320	2	24	5
10 (0.2% Shell)	1	360	80	0	40	40	40	12	24	5
	2	360	80	0	80	80	80	12	24	5
	3	360	80	0	320	320	320	2	24	5
Massive Sulphide	1	140	75	0	40	40	40	12	24	5
	2	140	75	0	80	80	80	12	24	5
	3	140	75	0	320	320	320	2	24	5
Chert	1	140	75	0	40	40	40	12	24	5
	2	140	75	0	80	80	80	12	24	5
	3	140	75	0	320	320	160	2	24	5
¹Note: Where the Massive Sulphide/Chert interpretations intersected the modelled Cu zones (i.e. Zones 1-10), the Zn, Ag and Au composites were only estimated as part of the Massive Sulphide/Chert zones, ensuring no doubling up of estimated metal.										

¹Note: Where the Massive Sulphide/Chert interpretations intersected the modelled Cu zones (i.e. Zones 1-10), the Zn, Ag and Au composites were only estimated as part of the Massive Sulphide/Chert zones, ensuring no doubling up of estimated metal.

3.7 Mineral Resource Classification

Both Resource Estimates included Measured, Indicated or Inferred material and were classified according to the JORC Code (2004) guidelines, based on the confidence levels of the key criteria considered during the resource estimation (Table 3-7).

Table 3-7: Key Resource Estimation Criteria

<i>Estimate - Confidence Levels of Key Criteria</i>		
Items	Discussion	Confidence
Drilling Techniques	Largely Diamond	Moderate - High
Logging	Standard nomenclature and apparent good quality.	Moderate
Drill Sample Recovery	Citadel drilling; good in mineralised zones; presumed to be reasonable for historical drilling	Moderate
Sub-sampling Techniques and Sample Preparation	Diamond core was cut; some missing intervals within diamond assay database.	Moderate
Quality of Assay Data	Confirmation of historic Cu +/- Zn assays from BRGM; good round robin confirmation of current laboratory	Moderate to High
Verification of Sampling and Assaying	Citadel drilling compares well with historical Cu assaying. Some local differences spatially.	Moderate to High
Location of Sampling Points	Underground collar have been surveyed, appropriate down-hole surveying for Citadel holes, historical holes less certain.	Moderate to High
Data Density and Distribution	Data spacing ranges from sub 120m to > 60m.	Moderate
Audits or Reviews	Multiple previous studies;	Moderate
Database Integrity	Lab certificate checks for Citadel top 200 assays all correct; database audit completed with errors rectified	Moderate-High
Geological Interpretation	Mineralisation has been constructed primarily upon grade outline.	Moderate to High
Rock Dry Bulk Density	Density estimated based upon Citadel Archimedes data.	Moderate to high
Estimation and Modelling Techniques	Ordinary Kriging.	High

The Measured category was applied to areas with densely spaced drilling (nominally 20m x 20m), that are contained within the first estimation pass and have a robust geometric continuity of the mineralised model.

The Indicated Category was assigned to areas with good to moderate spaced drilling (nominally 40m x 40m) or within the first or second estimation pass and have a well defined geometric continuity.

The Inferred category was applied to other areas of the model which have a reasonable geological continuity, and for those areas which were estimated in pass 1 for the low-grade halo (e.g. Zone 10).

3.8 Resource Tabulation

The Measured and Indicated Resources for Jabal Sayid's Lode 2 and 4 orebodies total 26.4 million tonnes at 2.42%Cu based on a 0.2% Cu cut-off (Table 3.8). This is composed of:

- 15.1 million tonnes at 2.5% Cu in the Measured Resource category.
- 11.2 million tonnes at 2.4% Cu in the Indicated Resource category.
- 32.2 million tonnes at 0.52%Cu in the Inferred Resource category.

Table 3-8: Jabal Sayid Project Resource Estimation (0.2% Cut-off)

JABAL SAYID RESOURCE ESTIMATE (0.2%Cu Cutoff)							
Category	Density g/m3	Tonnes (Mt)	Cu%	KCuT	Zn%	Au (g/t)	Ag (g/t)
Lode 2							
Meas	2.67	1.6	2.5	40	0.2	0.3	15
Ind	2.77	3.6	2.3	85	0.2	0.3	15
Total	2.74	5.2	2.4	125	0.2	0.3	15
Lode 4							
Meas	2.93	13.5	2.5	334	0.2	0.3	9
Ind	2.93	7.6	2.4	180	0.2	0.2	8
Total	2.93	21.1	2.4	514	0.2	0.3	9
Lodes 2 + 4							
Meas	2.93	15.1	2.5	374	0.2	0.3	9
Ind	2.89	11.2	2.4	265	0.2	0.3	10
Total M+I	2.91	26.3	2.4	640	0.2	0.3	10
Lode 2							
Inf	2.91	0.5	1.8	9	0.2	0.4	15
Lode 4							
Inf	2.87	31.7	0.5	160	0.5	0.2	8
Lodes 2 + 4							
Total Inf	2.87	32.2	0.5	169	0.5	0.2	8

1. All resources have been reported using a 0.2%Cu cut-off and are reported inclusive of reserves.
2. Rounding errors may occur.

Jabal Sayid Resources are also reported at an elevated 0.8%Cu or probable mining cutoff (Table 3-9). At this elevated grade, virtually no difference is observed in total Measured and Indicated Resource categories from the 0.2%Cu cutoff. However, a significant reduction in Inferred Resource is linked to the exclusion of a large lower grade halo, which surrounds Lode 4.

The Measured and Indicated Resources for Jabal Sayid's Lode 2 and 4 orebodies total 26.4 million tonnes at 2.42%Cu based on a 0.8% Cu cut-off are composed of:

- 14.9 million tonnes at 2.5%Cu in the Measured Resource category
- 11.1 million tonnes at 2.4%Cu in the Indicated Resource category.
- 5.1 million tonnes at 1.5%Cu in the Inferred Resource category.

Table 3-9: Jabal Sayid Project Resource Estimation (at 0.8%Cu Cut-off)

JABAL SAYID RESOURCE ESTIMATE (0.8%Cu Cutoff)							
Category	Density g/m ³	Tonnes (Mt)	Cu%	KCuT	Zn%	Au (g/t)	Ag (g/t)
Lode 2							
Meas	2.67	1.6	2.5	40	0.2	0.3	15
Ind	2.77	3.6	2.4	85	0.2	0.3	16
Total	2.74	5.2	2.4	125	0.2	0.3	15
Lode 4							
Meas	2.93	13.3	2.5	332	0.2	0.3	9
Ind	2.93	7.5	2.4	179	0.2	0.2	8
Total	2.93	20.8	2.5	512	0.2	0.3	9
Lodes 2 + 4							
Meas	2.93	14.9	2.5	372	0.2	0.3	9
Ind	2.89	11.0	2.4	264	0.2	0.3	10
Total M+I	2.91	25.9	2.4	636	0.2	0.3	10
Lode 2							
Inf	2.91	0.5	1.8	9	0.2	0.4	15
Lode 4							
Inf	2.87	4.6	1.5	69	0.4	0.2	7
Lodes 2 + 4							
Total Inf	2.87	5.1	1.5	78	0.4	0.2	8

1. All resources have been reported using a 0.8%Cu cut-off and are reported inclusive of reserves.
2. Rounding errors may occur.

4 Conclusions from Qualified Persons

Jabal Sayid is a proximal VMS (Volcanogenic Massive Sulphide) system, with analogous deposits observed at both the Avoca (Ireland) and Mt Lyell Mines (Tasmania). It ranks in the upper 5% of known VMS deposits worldwide, for resources exceeding 200Kt. It consists of 3 significant deposit centres (Lodes 1, 2 and 4), comprising arcuate sub-vertical stringer zones, with intercalated or overlapping massive sulphide and lesser chert lenses.

4.1 Conclusions

Both Bariq and historic exploration drilling programmes have been used to generate a robust geological model for the Jabal Sayid deposits. Statistical analysis has confirmed the use of a combined Cu and Zn dataset within the estimation process. Current drill density to as low as 20 x 20m has defined significant tonnages of both Measured and Indicated Resource.

Future model refinement from planned extensional drilling is likely, in particular since planned holes will avoid all and any oblique ore intersections, which might otherwise lead to an overestimation in the true-thickness of mineralisation or over-representation of certain grade populations

5 References

JORC, 2004. The Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Prepared by the Joint Ore Reserves Committee of the Australasian Institute of Mining and Metallurgy, the Australian Institute of Geoscientists and the Minerals Council of Australia, December.

6 Date and Signature Page



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Date: 31st October, 2009.